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INDUSTRIAL DEVELOPMENT IN THE MONGOLIAN PEOPLE'S REPUBLIC

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INDUSTRIAL DEVELOPMENT IN THE MONGOLIAN PEOPLE'S REPUBLIC

by L. Gurzhav

1. Basic trends in the harnessing of natural resources in the contemporary phase of the history of Mongolia

After the victorious revolution of 1921 there arose the problem of the continuous development of all essential branches of public production, such as: (a) mechanized industrial production, (b) improved cattle-breeding together with the introduction of up-to-date scientific and technical methods (veterinary science, zootechnics, etc) and an agriculture based on mechanization and agronomy, (c) other branches of a modern economy, like transport, telecommunications, etc;

Our sociologists have laid the following considered factors at the basis of the creation and development of a modern industry in our country: (a) the enduring nature of government by the people set up by the revolution and the pursuit by this government of independent policies in the national interest; (b) eradication of the feudal social structure existing formerly in our country; (c) liberation from the influence of mercantile and usurious foreign capital; (d) economic cooperation with other countries on the basis of equality and mutual profits as well as the assistance extended by them, and first and foremost by the Soviet Union; (d) exploitation of our boundless natural resources.

2. Results achieved by national policies in the field of industrial development

The favourable conditions created by the national policies of the people's government made it possible to develop with succes the industrialization of the national economy; in other words, a modern industrial production emerged as an independent and leading branch of the national economy.

With the growth of our economic strength, the government channelled annually increasing allocations into the creation of new industrial undertakings. In 1941-1945, the government

invested in the industry 40.5 million tugriks; in 1946-1950 - 32.6 million tugriks; in 1951-1955 - 109.9 million tugriks; in 1956-1960 - 345.4 million tugriks, and in 1961 - 141.8 million tugriks. Substantial capital investments were made additionally possible under credits and assistance extended to us by the USSR, the Chinese People's Republic, Czechoslovakia, the German Democratic Republic, and others. These investments amounted from 1953 to 1961 to almost 2.2 billion tugriks.

In 1961, the gross industrial production amounted to 701.0 million tugriks, or an increase of 9.1 times in annual production against 1940, and an increase of 3.8 times against 1952. With each period of industrial development, its specific share of the total industrial and agricultural product was continually increasing. This is clearly shown by the sustained high rates of growth of industrial output compared to agriculture, although crop-production is developing fairly rapidly.

At present, this new type of activity for our country, i.e. industry, is manufacturing a wide range of products which cover the demand of the national economy and our population and are also exported. The output of certain basic products may be found in the table hereunder:

(Output in 1961)

	Product	Measured in	Output
1.	Electric power	million kwh	156.0
2.	Coal	thousand tons	754.5
3.	Oil	thousand tons	26.1
4.	Gasoline	thousand tons	17.4
5.	Wolframite	tons	346.6
6.	Fluorspar	thousand tons	38.1
7.	Workable wood	thousand cu. m.	383.2
8.	Bricks, tiles	thousand pieces	66.9
9.	Fabrics	thousand metres	399.3
10.	Tanned hides	thousand pieces	181.8
11.	Tanned skins	thousand pieces	1208.0
12.	Footwear (miscellaneous)	thousand pairs	1319.4
13.	Flour	thousand tons	51.7
14.	Meat	thousand tons	
15.	Whole milk	thousand litres	

The development of a modern industry transformed the exclusively cattle-breeding Mongolia into an agricultural and industrial country.

The creation and development of industry led to great general advancement, since science and technical knowledge found a constantly growing application in the working of the national economy. We now have a considerable number of works which are endowed with the most up-to-date equipment. We might mention undertakings like the Nalaikhinsk mines, thermal power stations, a number of building material factories (woodworking mills), big banks, etc.; an oil-refinery, an integrated leather and footwear production plant, an integrated weaving mill, clothes factories, several food-processing plants (dairy, confectionery, flour-mills, etc.). The technical level of equipment in these undertakings is not inferior to that of similar plants abroad. All basic operations and even some ancillary ones are fully mechanized in the dairy and confectionery plants and in the flour-mills.

The degree of mechanization in some of our industrial plants, from the point of view of the specific share of mechanization of production processes, may be illustrated by the following figures: Ulan-Bator worsted mill - 71.9 %; Ulan-Bator hide tannery - 64.0 %; the glazed kid factory - 66.6 %; the footwear factory - 62.8 %; the wool-washing mill - 57 %, etc.

The industrial structure, divided by production items in 1961, may be seen from the table hereunder:

Industries	Gross production (in million tons)	Specific percentage
Total industrial output	701.0	100.0
1. Mining	93.3	13.3
2. Processing industries, including:	607.7	86.7
1) Production of electricity	51.6	7.4
2) Building materials	96.8	13.7
3) Woodworking	64.3	9.2
4) Leather and footwear	61.8	8.8
5) Woll-washing and textiles	45.7	6.5
6) Food-processing	189.6	27.1
7) Other industries	85.3	12.1

As a consequence of the creation of industries there emerged new gainfully occupied population groups - miners, construction workers, power industry workers, weavers, etc. In 1960, the labour force was divided by industries as follows: in the mining and oil industries - 9.4 % of the total industrial labour force; in the building material industry - 13.3 %; in the woodworking industry - 11.4 %; in textiles - 12.7 %; in the leather and footwear industry - 12.7 %; in the food-processing industry - 14.0 %, etc. With the differentiation of industries and the improvement of their technical level, the working population must constantly acquire new trades and new skills at the service of more advanced techniques. The industrial working class that emerged and developed with the process of industrial growth is becoming the leading group of the population which is learning to apply science and technology to public production. From 1940 to 1960, the number of workers and employees in the industry of the Mongolian People's Republic increased 2.4 times.

Our workers are successfully using modern equipment. This is proved by the following facts: the footwear factory built by the Czechoslovak Socialist Republic is now working even above its planned capacity. Various mills fitted out with the most modern technical equipment are attaining within the first 1 - 2 years their planned production capacities.

An eloquent proof of technical progress are the electrification of production and the general use of electric power in socio-cultural establishments and the domestic life of the population. As a result of the growth of the country's electrical equipment, the Ministry of Industry calculated in 1961 an electric power consumption of 2993 kwh. per workman.

Alongside with the erection of new industrial works, older plants are reconstructed with a view to receiving modern equipment and adopting new techniques which improve the rationalization of production.

Technical advancement, improved rationalization and the higher educational level of the workers together with their greater technical skill entail the continual growth of productivity. Thus, from 1957 to 1960, productivity in the Ulan-Bator integrated light-industry works (the plant was reconstructed during this period) increased 20.4 %;productivity increased 16.4 % in the undertakings belonging to the Ministry of Industry and 7.6 % in the plants of the Food-processing Ministry. It rose 22.5 % in the undertakings of the Industrial Cooperative Union. The increase in productivity for industry as a whole reached for this period 11.1 %. In 1961, the output per workman amounted to 122.8 % compared with the 1957 level.

Economic Cooperation with other countries proved to be the most important factor in the history of our industrialization. In view of its extreme economic underdevelopment, our country would never have been able to achieve an

appreciable industrial development within a relatively short period of time without outside help. Only economic cooperation with the Soviet Union made it possible to carry out industrialization and to liquidate the century-old technical and economic backwardness of our country.

Trade between our countries contributed to the utilization of our national income for industrial development. Trade with the USSR also ensured the necessary material prerequisites for the industrialization of the Mongolian People's Republic. The Soviet Union is supplying machines, machine parts, equipment, metals and other means of production.

Credits extended by the Soviet Union - preferential, bearing no interests, or at a low interest rate - were channelled into industrial development. These credit grants were not contingent on economic concessions on our part.

The Mongolian-Soviet joint-stock companies are built up on an unprecedented basis. When the Mongolian staff has acquired with the help of Soviet experts an adequate experience in the management of these companies, they are transferred into the ownership of the Mongolian people. This happened, e.g., in the case of the mines belonging to the company "Sovmongolmetal" (Soviet-Mongolian Metals). During the past decade (in the 'fifties) our country established multilateral economic connections with all People's Democracies and is trading with them on a mutually profitable basis. The Chinese People's Republic, Czechoslovakia, Hungary, Poland and the German Democratic Republic have built in our country a number of industrial works. Thus, e.g., Czechoslovakia has built a tannery, a sheepskin processing plant, clothes and footwear factories, etc. These plants are being gradually amortized.

The industrialization of our country is based on economic cooperation and mutual assistance between Socialist countries, which are a consequence of the international division of labour. At the same time, our country is increasing through industrial development its share of world production and contributes in this way to a better division of labour between countries.

3. The future of our industry

With a view to covering more fully the many-sided needs of our national economy and to increasing the welfare of our population, we must continue the development of our industry at an accelerated rate.

The task before the third five-year plan in the industrial field consists in assuring the advance growth of the fuel and power industries and that of the building industry on the

basis of a further expansion of the industrial processing of agricultural raw materials and the widest possible exploitation of our boundless natural resources.

Under the third five-year plan, the total industrial production should amount in 1965 to 1224.5 million tugriks. This will imply that the present output will be doubled in 1965, including the most important types of production. Thus, e.g., production of coal will increase 2.2 times; production of electric power - 3 times; extraction of rare-earth metal ores - 2 times; metal-working industry and repair works - 1.6 times; leather and footwear production - 1.6 times; textiles - 2.2 times; food processing - 2.2 times. The range of industrial production will also be greatly expanded.

Such results may be attained through the erection of new industrial plants, the technical overhaul of a number of older factories and the rationalization of existing production capacities. It is self-evident that the construction of new works and the overhauling of existing factories will require very considerable expenditure by the standards of our country.

Industrial capital investments during the third five-year plan will amount to 1.85 billion tugriks, or 39.8 % of the total national investments.

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